

W.T. GRANT COMPANY ANNUAL REPORT 1970

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BUSINESS W.P. BUR.
CORPORATION FILE



highlights

	1970	1969
Sales	\$1,254,130,857	\$1,210,918,068
Net earnings	\$ 39,577,087	\$ 41,809,300
Per common share	\$2.87	\$2.99
Average number of common shares outstanding .	13,637,947	13,810,501
Dividends paid per preferred share	\$3.75	\$3.75
Dividends paid per common share	\$1.50	\$1.40
Total dividends paid	\$ 20,821,282	\$ 19,736,673
Earnings retained in the business	\$ 18,755,805	\$ 22,072,627
Depreciation and amortization	\$ 9,618,739	\$ 8,971,700
Capital expenditures	\$ 15,995,000	\$ 13,668,000
Employee compensation and benefits	\$ 295,882,263	\$ 271,650,884
Cents per sales dollar	23.6¢	22.4¢
Merchandise inventories	\$ 260,492,329	\$ 222,127,620
Net fixed assets	\$ 61,832,352	\$ 55,310,732
Long term debt	\$ 32,301,000	\$ 35,402,000
Book value common stock—per share	\$21.09	\$20.07
Number of preferred stockholders	703	674
Number of common stockholders	19,196	19,101
Number of stores	1,116	1,095

THE STORE GROWTH PROGRAM 1966 THROUGH 1970

	Number of New Stores Opened	Number of Stores Enlarged	Capital Expenditures
1970	65	8	\$15,995,000
1969	52	3	13,668,000
1968	41	11	10,625,000
1967	24	13	7,792,000
1966	51	11	14,856,000
Totals	233	46	\$62,936,000

Grants

KNOWN FOR VALUES SINCE 1906

We continue to be receptive to changes which enable us to meet customer needs. What we will not change is the basic concept of serving the majority of the people by offering outstanding merchandise in popular priced lines. This has been our goal since our inception sixty-five years ago, and we are certain that this same goal will continue to stand us well in the future.

To Our Stockholders:

The sales of the Grant Company in 1970 were ahead of last year by 3.6% and earnings per share were down 4.0%. In relation to our sales and profit objectives, this performance was not up to expectations. Some achievements which will aid future corporate development deserve comment:

- The new personnel training program announced at the beginning of the year for store management has been extended throughout the entire company. This program has been developed to train management personnel for stores, food service and credit in a shorter period of time and better prepare our people to succeed on the job. The Company is confident that in the highly competitive conditions the country is living in today our younger men and women can develop faster and become more productive than in the past.
- Expansion into new lines of merchandise was continued during the year, with particular emphasis in the "Grantsville" concept for women's fashions, major appliances, furniture lines and automobile accessories.
- During the year the Company completed its largest expansion program in addition to a major upgrading of its distribution facilities.
- Expense control and economies in operation improved as we progressed through the year and gave us a record-breaking fourth quarter.

Following are detailed comments on important aspects of our 1970 performance:

SALES—The year's sales were a record \$1,254,130,857, which represented an increase of 3.6% over the prior year. Geographically, our sales results mirrored the strike and employment patterns evident during the year throughout the United States. Credit sales accounted for approximately 24% of total sales—the same percentage as last year. At year end 2.2 million American families had open accounts with the Company.

EARNINGS—Net earnings for the year totalled \$39,577,087, equal to \$2.87 per common share. This was 4% under 1969's record earnings per share of \$2.99.

The drop in earnings occurred during the first three quarters of the year. Fourth quarter earnings, as noted previously, set a record for the company.

DIVIDENDS—Dividends of \$1.50 per share on the Common Stock and \$3.75 per share on the Preferred Stock were paid during the year, thus marking the sixty-fourth year that the Company has earned a profit and paid a dividend to its stockholders. The Directors at their February 23, 1971 meeting declared a quarterly dividend on Common Stock of 37½¢ per share which keeps the annual rate at \$1.50, the same as paid in 1970.

FINANCIAL COMMENTS—Stockholders equity rose during the year by \$11,348,000 to a total of \$302,036,000. "Working funds", consisting of current assets less current liabilities excluding deferred credits for taxes related to installment sales, at year end were a record \$354,967,000.

The W. T. Grant Financial Corporation continued to enjoy an excellent acceptance of its short term notes. Short term interest rates, which determine borrowing costs to finance the continuing growth in our customer accounts receivable, reached record high levels during 1970.

The Company's year end short term debt totaled \$246,420,000, all of which has been issued by the W. T. Grant Financial Corporation. The Company has available \$302,485,000 of bank lines of credit extended by 131 banks throughout the country.

At year end our customer accounts receivable were \$433,730,000 or \$187,310,000 in excess of our short term debt.

Long term debt was reduced from \$35,402,000 to \$32,301,000 during the year. In addition 18,500 shares of Preferred Stock were purchased and cancelled.

A second purchase from the Grant Foundation of 300,000 shares of Grant Common Stock was completed during the year. At year end the Company had a total of 715,119 shares in the treasury to meet requirements of the Employees Stock Purchase Plan and for other corporate purposes.

GROWTH PROGRAM—The 1970 capital program represented the largest square footage addition to store facilities in the Company's history. Sixty-five new stores were opened and eight successful operating stores were enlarged. Over 5,400,000 gross square feet of new store space was opened in 1970, over one-third more than the previous record program of 1969. Forty-four smaller stores were closed during the year.

In addition to these store openings, over 1,250,000 square feet of distribution facilities were completed during the year. A new type facility was opened in Jersey City, New Jersey and new substantially improved facilities were completed in Edison, New Jersey and New Haven, Indiana, which replace existing distribution facilities.

Our 1971 store program is already well under way and we expect to add at least as much new store space this year as we did in 1970. In addition, the present Albany, Georgia distribution center is being replaced with the new standard distribution facility and should be completed by November, 1971.

ZELLER'S—Our 51% owned Canadian affiliate had an excellent year in 1970 with both sales and earnings setting records. Sales totaled \$176,602,888, up 12.1% over last year. Earnings were \$7,578,639 compared to \$6,823,134 in 1969, up 11.1%.

PERSONNEL AND ORGANIZATION—Current needs and the Company's future growth make personnel of the highest importance in terms of quality, motivation and continuity of employment. The Company's growth program constantly provides advancement opportunities for our people. At year end over 1,800 men and women were enrolled in our store management and buying training program. An average of 65,000 were employed by the Company during the year.

With the completion of fiscal 1970, the Company is especially grateful to its customers and suppliers for their loyalty and contribution to its performance during the year. We extend a welcome to all new stockholders and particularly appreciate the confidence of our continuing stockholders.

We believe that with our organization of loyal, well-trained employees, plus good financial stability the Company can successfully meet the challenges of 1971. On the longer term, we are confident that the 1970's will be a decade of growth for the Grant Company.

Edward Staley
Chairman of the Board

R. Wmayer
President

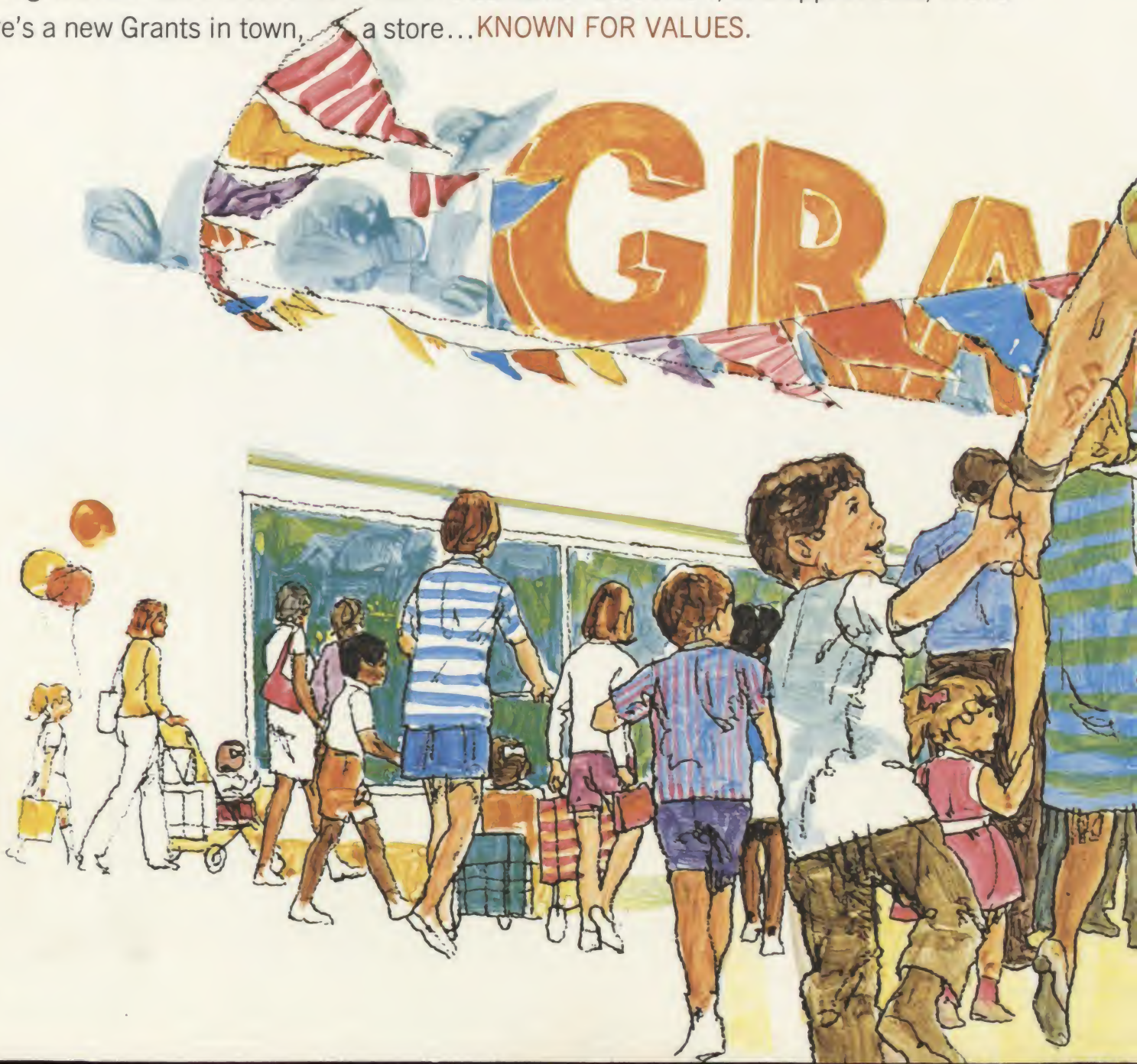
PROGRESS

In the Fall of 1971, the Company will make its headquarters in the W. T. Grant Building, One Astor Plaza, Times Square, New York—the former site of the Hotel Astor. We will occupy the upper nine stories of this ultra-modern 54-story office tower bearing our name. Provision has been made to occupy additional floors over the coming years as required by Grants on-going store expansion program and growth. It will be Grants first corporate headquarters relocation in 41 years.



GRANTS...GROWING ACROSS THE NATION

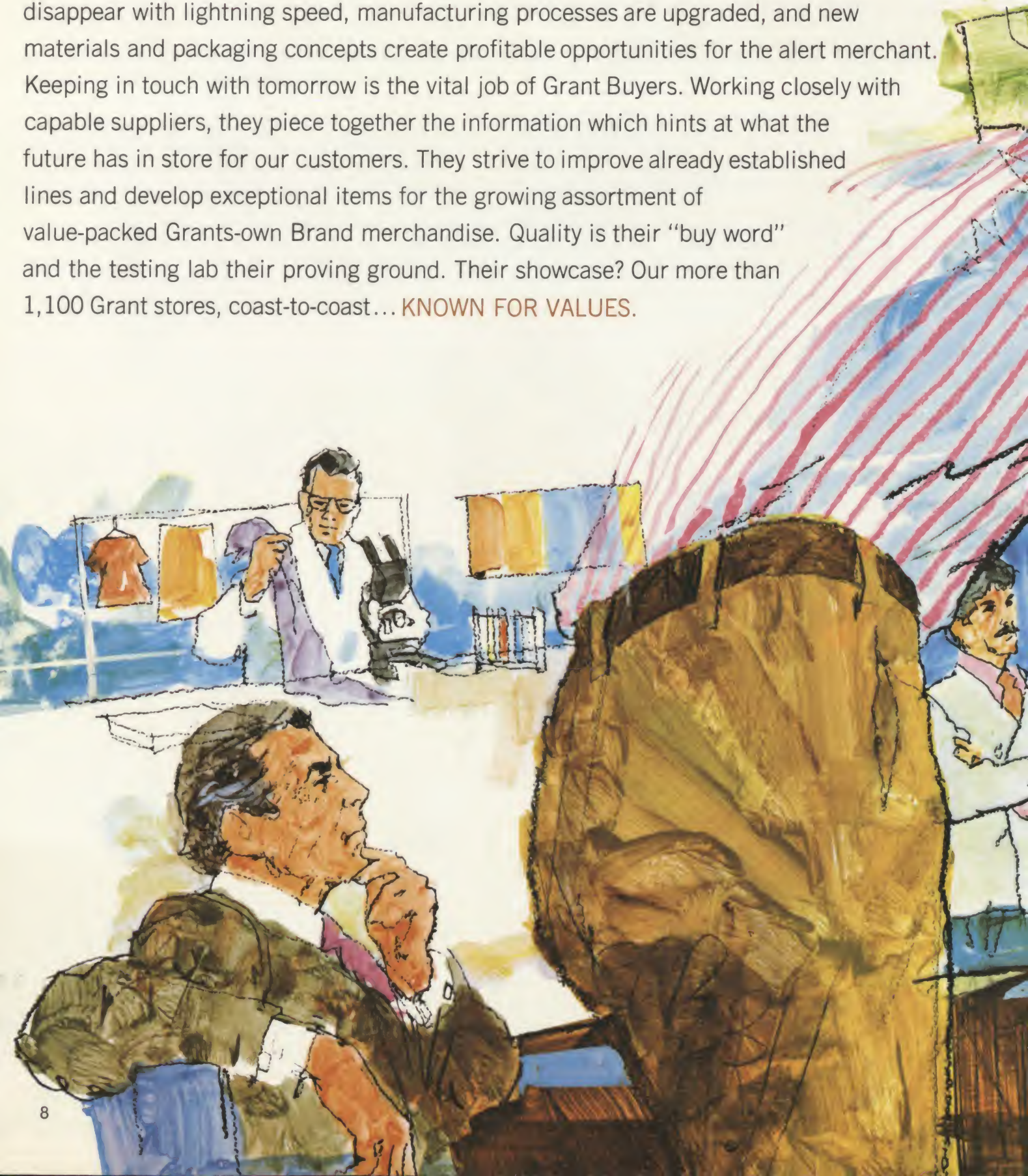
On opening day our shoppers are much too caught up in the excitement of crowds and sales specials to give a passing thought to the new store's origin, but it's no accident that the store is exactly where it is. Site selection begins with Grant Real Estate Managers, who scour the country seeking out promising locations. Access roads, growth potentials, parking facilities and a host of other details are thoroughly studied. In fact, no commitment is ever made without the approval of the Real Estate Committee, whose membership is composed of Grant top management. Understandably, the average customer may not be aware of the Grant legal staff, architects, draftsmen, construction supervisors, fixturing supervisors, personnel trainers and the hundreds of other people who have worked towards making the new store a success. What the customer does know, and appreciates, is that there's a new Grants in town, a store...**KNOWN FOR VALUES.**





OUR BUYING SKILL AT WORK FOR SMART FAMILY SHOPPERS

What items will be the best sellers in the next year or two? The fact is, no one knows for sure, and that's what makes retailing exciting. Tastes change, fads appear and disappear with lightning speed, manufacturing processes are upgraded, and new materials and packaging concepts create profitable opportunities for the alert merchant. Keeping in touch with tomorrow is the vital job of Grant Buyers. Working closely with capable suppliers, they piece together the information which hints at what the future has in store for our customers. They strive to improve already established lines and develop exceptional items for the growing assortment of value-packed Grants-own Brand merchandise. Quality is their "buy word" and the testing lab their proving ground. Their showcase? Our more than 1,100 Grant stores, coast-to-coast... **KNOWN FOR VALUES.**





GRANT CUSTOMERS SHOP FOR VALUES

Who are Grant customers? They include young marrieds, just starting housekeeping, and not-so-young marrieds, outfitting healthy bands of youngsters. They are established folks giving their homes a new look, and retired folks, seeking to stretch fixed incomes. In short, Grant customers are millions of American shoppers who have to get the best possible value for their money, but who are not willing to sacrifice quality and style just to save money. Every purchase is important to them, be it a Bradford color television set for the family, a perky Spring outfit for their fashion-conscious teenager or the family supply of mouthwash and toothpaste. They rely on Grants because each purchase is a good value, backed by Grants' 65-year reputation . . . **KNOWN FOR VALUES!**





SHOPPING IS A FAMILY AFFAIR AT GRANTS

Convenience for the family! That's the theme around which every Grant store is planned. That is why nearly all are located in Shopping Centers, with ample parking for the family car. New stores are built on one floor, because family shoppers prefer it—with toys and tools and swimming pools within easy walking distance from the credit desk, where a Grant Credit Account helps level the seasonal peaks which strain almost any family budget. And because families generate healthy appetites while shopping, food facilities are provided as an additional convenience, with prices which make "eating out" even more pleasurable. Bright, colorful, cheerful—and convenient. That defines the modern Grant store, and, as always . . . **KNOWN FOR VALUES.**





W. T. GRANT COMPANY

1970

**FINANCIAL
STATEMENTS**



W. T. Grant Company and consolidated subsidiaries

January 31,

ASSETS

CURRENT ASSETS

	1971	1970*
Cash and short term securities	\$ 34,008,749	\$ 32,976,950
Accounts receivable:		
Customers' installment accounts	433,729,581	381,757,348
Less allowance for doubtful accounts and unearned credit insurance premiums	25,079,275	21,044,723
	408,650,306	360,712,625
Other accounts receivable, claims, etc.	11,080,820	7,554,506
Total accounts receivable, net	419,731,126	368,267,131
Merchandise inventories (including merchandise in transit)— at the lower of cost or market determined principally by the retail inventory method	260,492,329	222,127,620
Prepaid taxes, rents, supplies, etc.	5,246,237	5,037,194
TOTAL CURRENT ASSETS	719,478,441	628,408,895

OTHER ASSETS

Investment in Zeller's Limited, at equity—Note A	21,204,472	17,991,567
Cash surrender value of life insurance	2,732,021	2,702,560
TOTAL OTHER ASSETS	23,936,493	20,694,127

COMMON STOCK OF W. T. GRANT COMPANY

145,400 shares, at cost, held for Deferred Contingent Com- pensation Plan—Note C	2,381,044	2,381,044
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STORE PROPERTIES, FIXTURES, AND IMPROVEMENTS— on the basis of cost

Buildings	545,995	545,995
Furniture & fixtures	96,909,694	89,433,668
Improvements to leased properties	7,748,813	9,433,564
	105,204,502	99,413,227
Less allowance for depreciation and amortization	44,900,240	44,912,336
	60,304,262	54,500,891
Land	1,528,090	809,841
TOTAL STORE PROPERTIES, FIXTURES, AND IMPROVEMENTS	61,832,352	55,310,732
	\$807,628,330	\$706,794,798

*Reclassified to conform with Jan. 31, 1971 presentation.

statement of financial position

January 31,

LIABILITIES, RESERVES, AND CAPITAL

CURRENT LIABILITIES

	1971	1970*
Short-term notes payable	\$236,420,216	\$180,097,200
Bank loans	10,000,000	2,035,000
Accounts payable	80,681,456	70,853,108
Salaries, wages, and bonuses	15,513,737	15,043,683
Taxes withheld from employees compensation	2,863,885	2,562,850
Taxes other than federal income taxes	5,464,605	6,123,626
Federal income taxes payable	13,566,940	9,559,918
Deferred credits, principally income taxes related to install- ment sales—Note D	94,488,843	80,443,271
TOTAL CURRENT LIABILITIES	458,999,682	366,718,656

LONG TERM DEBT—Note E	32,301,000	35,402,000
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DEFERRED FEDERAL INCOME TAXES—Note D	8,518,051	8,286,401
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RESERVES

For self-insured risks and repainting stores	3,300,000	3,300,000
For deferred contingent compensation	2,473,173	2,399,242
TOTAL RESERVES	5,773,173	5,699,242

CAPITAL—Notes A and F:

Capital Stock:

Cumulative Preferred—\$100 par value:

Authorized 250,000 shares

Issued 96,000 and 114,500 shares, respectively, of
3¾% series

9,600,000 11,450,000

Common—\$1.25 par value:

Authorized 22,500,000 shares

Issued 14,544,224 and 14,306,640 shares, respectively

18,180,280 17,883,300

Paid-in capital

76,637,378 70,224,570

Amounts paid by employees under purchase contracts
for unissued common stock

1,478,312 1,330,474

Earnings retained for use in the business

230,435,091 211,679,286

336,331,061 312,567,630

Less 715,119 and 432,764 shares, respectively, of treasury
common stock, at cost

34,294,637 21,879,131

TOTAL CAPITAL

302,036,424 290,688,499

LONG TERM LEASES AND CONTINGENT LIABILITY—Note G

\$807,628,330

\$706,794,798

(See notes to financial statements.)

W.T. Grant Company and consolidated subsidiaries

statement of operations

Year ended January 31,

	1971	1970
SALES	\$1,254,130,857	\$1,210,918,068
Income from concessions	4,985,580	3,748,215
	<u>1,259,116,437</u>	<u>1,214,666,283</u>
Cost of merchandise sold, buying and occupancy costs	843,191,987	817,671,347
	<u>415,924,450</u>	<u>396,994,936</u>
Selling, general and administrative expenses	329,767,690	306,628,657
	<u>86,156,760</u>	<u>90,366,279</u>
ADD:		
Dividends from Zeller's Limited	1,398,689	1,249,168
Interest earned	780,707	805,734
Other income	695,081	809,063
	<u>2,874,477</u>	<u>2,863,965</u>
	<u>89,031,237</u>	<u>93,230,244</u>
DEDUCT:		
Interest expense	18,874,134	14,919,228
Other deductions	556,739	585,240
	<u>19,430,873</u>	<u>15,504,468</u>
EARNINGS BEFORE FEDERAL INCOME TAXES PROVISION FOR FEDERAL INCOME TAXES— Note D:	69,600,364	77,725,776
Current	21,140,000	24,900,000
Deferred	11,660,000	13,100,000
	<u>32,800,000</u>	<u>38,000,000</u>
NET EARNINGS BEFORE CANADIAN SUBSIDIARY	36,800,364	39,725,776
INCREASE IN UNDISTRIBUTED EQUITY IN ZELLER'S LTD.	2,776,723	2,083,524
NET EARNINGS	<u>\$ 39,577,087</u>	<u>\$ 41,809,300</u>
EARNINGS PER SHARE—Note B	<u>\$2.87</u>	<u>\$2.99</u>

(See notes to financial statements.)

STATEMENT OF EARNINGS RETAINED FOR USE IN THE BUSINESS

	Year ended January 31,	
	1971	1970
Balance at the beginning of the year	\$211,679,286	\$189,606,659
Net earnings for the year	<u>39,577,087</u>	<u>41,809,300</u>
	251,256,373	231,415,959
Deduct:		
Cash dividends:		
3¾% Cumulative Preferred Stock—Four quarterly dividends of 93¾¢ each per share	395,031	456,858
Common Stock—Four quarterly dividends of 37½¢ and 35¢ respectively, each per share .	<u>20,426,251</u>	<u>19,279,815</u>
Total cash dividends	<u>20,821,282</u>	<u>19,736,673</u>
Accumulated earnings retained for use in the business at the end of the year	<u>\$230,435,091</u>	<u>\$211,679,286</u>

STATEMENT OF PAID-IN CAPITAL

	Year ended January 31,	
	1971	1970
Balance at the beginning of the year	\$ 70,224,570	\$ 58,661,960
Excess of proceeds over par value or cost of 199,440 and 232,415 shares respectively, of Common Stock issued under the Employee's Stock Purchase Plan	4,035,962	4,988,060
Excess of the conversion price over par value of 55,789 and 220,005 shares respectively, of Common Stock issued for 4% Convertible Debentures . .	1,474,818	5,811,527
Excess of par value over the cost of 18,500 and 18,000 shares respectively, of 3¾% Cumulative Preferred Stock purchased and cancelled	<u>902,028</u>	<u>763,023</u>
Balance at the end of the year	<u>\$ 76,637,378</u>	<u>\$ 70,224,570</u>

statement of source and application of funds

W. T. GRANT COMPANY and consolidated subsidiaries

(amounts in 000's)

(years which end January 31 of subsequent years)

SOURCE OF FUNDS:	1970	1969	1968	1967	1966	Five year totals
NET INCOME	\$39,577	\$41,809	\$38,183	\$32,993	\$31,568	\$184,130
Less the increase in equity in Zeller's Limited	2,777	2,083	1,761	1,503	1,073	9,197
	<u>\$36,800</u>	<u>\$39,726</u>	<u>\$36,422</u>	<u>\$31,490</u>	<u>\$30,495</u>	<u>\$174,933</u>
Plus charges to income which involve no cash outlay:						
Depreciation and amortization	9,619	8,972	8,388	8,203	7,524	42,706
Net increase in reserves	74	180	231	130	374	989
Increase in deferred federal income taxes	232	345	390	517	765	2,249
Sale of common stock to employees	5,219	5,278	5,432	4,113	2,695	22,737
Sale of land and buildings	—	—	523	59	30	612
TOTAL FUNDS PROVIDED	<u>\$51,944</u>	<u>\$54,501</u>	<u>\$51,386</u>	<u>\$44,512</u>	<u>\$41,883</u>	<u>\$244,226</u>
APPLICATION OF FUNDS:						
Dividends to stockholders	\$20,821	\$19,737	\$17,686	\$14,367	\$14,091	\$ 86,702
Investment in properties, fixtures, and improvements	16,141	14,352	10,626	7,763	15,257	64,139
Purchase of treasury stock	13,224	21,879	3,665	—	—	38,768
Purchase of preferred stock for cancellation	948	1,037	923	155	—	3,063
Retirement of 4¾ % Sinking Fund Debentures	1,538	1,687	1,500	1,500	—	6,225
Purchase of common stock for deferred compensation plan	—	223	178	316	441	1,158
Investment in Zeller's Limited	436	—	35	418	269	1,158
Increase in sundry accounts (net)	48	58	458	124	45	732
Working capital increase (decrease)	(1,212)	(4,472)	16,315	19,869	11,780	42,281
TOTAL FUNDS APPLIED	<u>\$51,944</u>	<u>\$54,501</u>	<u>\$51,386</u>	<u>\$44,512</u>	<u>\$41,883</u>	<u>\$244,226</u>

notes to financial statements

JANUARY 31, 1971

Note A — The financial statements include the accounts of two wholly owned subsidiaries, W. T. Grant Financial Corporation and Jones & Presnell Studios, Inc.

The Company carries its investment in Zeller's Limited (a 50.5% owned Canadian Subsidiary, cost \$8,893,326) at equity and has included in net earnings its share of the increase in the undistributed equity of that company.

Note B — Earnings per share of common stock (equivalent to fully diluted) has been determined based upon the average number of shares outstanding during each year.

Note C — The amount charged to operations for the Deferred Contingent Compensation Plan for the year ended January 31, 1971 was \$700,000.

Note D — Gross profits on sales on the installment basis are reflected in the financial statements when the sales are made, whereas, for federal income tax purposes, such gross profits are reported as income as collections are received. The resulting difference between taxes accrued and taxes actually payable is included as "Deferred credits, principally income taxes related to installment sales".

At January 31, 1971, accumulated depreciation of approximately \$17,750,000 has been deducted for tax purposes in excess of the deduction (using the straight-line method) in the financial statements. The resulting difference is included in "Deferred Federal Income Taxes".

Investment credit totaling approximately \$402,000 has been deducted from the provision for federal income taxes for the year ended January 31, 1971.

Federal income tax returns of the Company have been examined and accepted by the Internal Revenue Service through January 31, 1963.

Note E — Long-term debt:

4¾% Sinking Fund Debentures dated January 1, 1962 and due January 1, 1987 (annual sinking fund payments of \$1,500,000)	\$28,775,000
4% Convertible Subordinated Debentures dated June 1, 1965 and due June 1, 1990	<u>3,526,000</u>
	<u>\$32,301,000</u>

As of January 31, 1971, 125,929 shares of Common Stock of the Company were reserved for conversion of the 4% Convertible Subordinated Debentures at the rate of one share of Common Stock for each \$28 principal amount of debentures.

Note F — The 3¾% Cumulative Preferred Stock is redeemable at the Company's option in whole or in part at \$100 per share.

At January 31, 1971, 571,450 shares of the Company's unissued Common Stock were reserved under the Employees' Stock Purchase Plans. Contracts for the sales of such shares, on a deferred payment basis, are made at approximate market prices at dates of contracts. Shares are issued after completion of payments. In addition to the shares reserved under these plans, the only other shares of Capital Stock reserved for options, warrants, conversions, and other rights are the 125,929 shares reserved for conversion of debentures and 145,400 shares of issued Common Stock held for the Deferred Contingent Compensation Plan.

During the year, the Company purchased 300,000 shares of its Common Stock and issued 17,645 shares out of Treasury Stock under the 1970 Employees' Stock Purchase Plan. In addition 181,795 shares of unissued common stock were issued under the 1960 Employees' Stock Purchase Plan.

Note G — At January 31, 1971, the Company was lessee of real property under 1,089 leases expiring subsequent to January 31, 1974, at aggregate minimum annual rentals of approximately \$56,312,000 (exclusive of taxes and other expenses payable under terms of certain of the leases). This amount includes approximately \$45,863,000 for minimum annual rentals under 851 leases which were on a percentage of sales basis with specified minimum annual rentals.

Note H — The Company has an Employees' Retirement Plan available to all of its employees. The amount charged to operations for the year ended January 31, 1971 for this Plan was \$1,217,929. The Company funds pension costs accrued.

ACCOUNTANTS' REPORT

TO THE BOARD OF DIRECTORS
W. T. GRANT COMPANY
NEW YORK, N.Y.

We have examined the accompanying consolidated financial statements of the W. T. Grant Company and consolidated subsidiaries for the year ended January 31, 1971. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying consolidated statements of

financial position, operations, earnings retained for use in the business, paid in capital, and source and application of funds present fairly the consolidated financial position of the W. T. Grant Company and consolidated subsidiaries at January 31, 1971 and the consolidated results of their operations, changes in stockholders' equity and sources and applications of funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

March 15, 1971
New York, N.Y.

ERNST & ERNST

comparative statement of operations

(amounts in 000's) (years ended January 31 of subsequent years)

	1970	1969	1968	1967	1966
SALES	\$1,254,131	\$1,210,918	\$1,096,152	\$979,458	\$920,797
Income from concessions	4,985	3,748	2,873	2,786	2,250
Dividends, interest and other income	2,874	2,864	2,528	2,038	1,314
	<u>\$1,261,990</u>	<u>\$1,217,530</u>	<u>\$1,101,553</u>	<u>\$984,282</u>	<u>\$924,361</u>
LESS:					
Cost of merchandise sold, and operating expenses	1,172,960	1,124,300	1,018,548	916,087	860,099
Interest expense and other deductions	19,430	15,504	10,303	9,115	7,935
EARNINGS BEFORE TAXES	\$ 69,600	\$ 77,726	\$ 72,702	\$ 59,080	\$ 56,327
FEDERAL INCOME TAXES	32,800	38,000	36,280	27,590	25,832
	<u>\$ 36,800</u>	<u>\$ 39,726</u>	<u>\$ 36,422</u>	<u>\$ 31,490</u>	<u>\$ 30,495</u>
EQUITY IN ZELLER'S LTD.	2,777	2,083	1,761	1,503	1,073
NET EARNINGS	<u>\$ 39,577</u>	<u>\$ 41,809</u>	<u>\$ 38,183</u>	<u>\$ 32,993</u>	<u>\$ 31,568</u>

comparative statement of financial position

(amounts in 000's) (at January 31 of subsequent years)

	1970	1969	1968	1967	1966
ASSETS:					
Cash and securities	\$ 34,008	\$ 32,977	\$ 25,639	\$ 25,141	\$ 39,040
Net accounts receivable	419,731	368,267	312,776	272,450	230,427
Merchandise inventories	260,492	222,128	208,623	183,721	174,631
Prepaid expenses	5,246	5,037	4,402	3,983	4,079
TOTAL CURRENT ASSETS	<u>\$719,478</u>	<u>\$628,409</u>	<u>\$551,440</u>	<u>\$485,295</u>	<u>\$448,177</u>
Investment in Zeller's Ltd.	21,204	17,992	15,908	14,113	12,192
Properties and fixtures	61,832	55,311	49,931	47,578	48,076
Sundry other assets	5,114	5,083	4,830	4,621	4,263
TOTAL ASSETS	<u>\$807,628</u>	<u>\$706,795</u>	<u>\$622,109</u>	<u>\$551,607</u>	<u>\$512,708</u>
LIABILITIES:					
Notes payable and bank loans	\$246,420	\$182,132	\$118,125	\$ 99,230	\$ 97,647
Accounts payable	104,524	94,584	85,099	68,305	61,339
Federal taxes payable	13,567	9,560	16,981	11,368	14,546
Deferred credits (taxes)	94,489	80,443	65,073	56,545	44,667
TOTAL CURRENT LIABILITIES	<u>\$459,000</u>	<u>\$366,719</u>	<u>\$285,278</u>	<u>\$235,448</u>	<u>\$218,199</u>
Long term debt	32,301	35,402	43,251	62,622	70,000
Deferred federal taxes	8,518	8,287	7,941	7,551	7,034
Reserves	5,773	5,699	5,518	5,288	5,159
CAPITAL:					
Preferred stock	9,600	11,450	13,250	14,750	15,000
Common stock	62,001	67,559	77,264	53,619	43,613
Retained earnings	230,435	211,679	189,607	172,329	153,703
TOTAL LIABILITIES AND CAPITAL	<u>\$807,628</u>	<u>\$706,795</u>	<u>\$622,109</u>	<u>\$551,607</u>	<u>\$512,708</u>

other items

	1970	1969	1968	1967	1966
Number of stores	1,116	1,095	1,092	1,086	1,104
Pre-tax earnings per sales dollar	5.5¢	6.4¢	6.6¢	6.0¢	6.1¢
Net earnings per share	\$2.87	\$2.99	\$2.71	\$2.39	\$2.30
Dividends per share	\$1.50	\$1.40	\$1.30	\$1.10	\$1.10
Working Funds*—in 000's	\$ 354,967	\$ 342,133	\$ 331,235	\$306,392	\$274,645
Working Funds Ratio*	2.0	2.2	2.5	2.7	2.6
Net Worth—in 000's	\$ 302,036	\$ 290,688	\$ 280,121	\$240,698	\$212,316
% earned on net worth	13.1	14.4	13.6	13.7	14.9

*Working Funds consist of current assets less current liabilities, excluding deferred credits for taxes related to installment sales. Working Funds Ratio is the ratio between current assets and current liabilities excluding deferred credits.

W. T. Grant Company

EXECUTIVE AND BUYING OFFICES 1441 BROADWAY, NEW YORK, N.Y. 10018

WILLIAM T. GRANT *Honorary Chairman of the Board*

DIRECTORS

EDWARD STALEY <i>Chairman</i>	JAMES G. KENDRICK
	JOHN J. LaPLANTE
	JOSEPH A. LIVOLSI
A. RICHARD BUTLER	LOUIS C. LUSTENBERGER
JOHN G. BYLER	RICHARD W. MAYER
JOSEPH W. CHINN, JR.	CLARENCE J. MYERS
JOHN G. CURTIN	DeWITT PETERKIN, JR.
RAYMOND H. FOGLEP	CHARLES F. PHILLIPS
JOHN D. GRAY	HARRY E. PIERSON
THOMAS P. JERMAN	ASA T. SPAULDING

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RICHARD W. MAYER <i>President</i>	JOSEPH C. KELLNER <i>Western Region Vice President</i>
LOUIS C. LUSTENBERGER <i>Chairman of the Executive Committee</i>	ROBERT A. LUCKETT <i>Vice President and Comptroller</i>
A. RICHARD BUTLER <i>Merchandise Vice President</i>	P. THOMAS PICARRO <i>Eastern Region Vice President</i>
JOHN G. CURTIN <i>Financial Vice President</i>	PHILIP J. RODILOSSO <i>Southern Region Vice President</i>
JOHN J. LaPLANTE <i>Personnel Vice President</i>	CHARLES J. SEITZ <i>Softwares Merchandise Group Vice President</i>
JOSEPH A. LIVOLSI <i>Store Management Vice President</i>	ORIE YONKERS <i>Fashion Merchandise Group Vice President</i>
HARRY E. PIERSON <i>Store Expansion Vice President</i>	EDMUND B. WOOD, JR. <i>Treasurer</i>
ARTHUR G. BRIL <i>Central Region Vice President</i>	ROBERT J. KELLY <i>Secretary and General Counsel</i>
ROBERT R. CHAPLIN <i>Home Furnishings Merchandise Group Vice President</i>	EVA M. FABREGAS <i>Assistant Comptroller</i>
JOHN F. CROWLEY <i>Pittsburgh Region Vice President</i>	ALLAN E. LOMEN <i>Assistant Comptroller</i>
JOHN P. DANE, JR. <i>New England Region Vice President</i>	

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